



State of California

# Employment Training Panel

Arnold Schwarzenegger, Governor

July 30, 2008

Myung J. Kim, President/CEO  
ADCON Technical Institute dba ATI College  
12440 Firestone Blvd., Suite 2001  
Norwalk, CA 90650

Dear Mr. Kim:

RE: **MONITORING REPORT** ATI COLLEGE – ET06-0294

<b>Date of the Visit:</b>	05/12/08
<b>Beginning/Ending Time:</b>	9:00 a.m. – 1:30 p.m.
<b>Date of Last Visit:</b>	6/15/07
<b>Visit Location:</b>	12440 Firestone Blvd., Suite 2001, Norwalk, CA 90650
<b>Persons in attendance:</b>	Lisa Jee, Executive Director, ATI College Dolores Kendrick, Regional Manager, North Hollywood, ETP Elsa Wadzinski, Contract Analyst, ETP
<b>Action Required:</b>	No

<b>Term of Agreement:</b>	05/09/06 – 05/08/08	<b>Agreement Amount:</b>	\$833,620
<b>Training Start Date:</b>	5/30/06	<b>No. to Retain:</b>	470
<b>Date Training must be Completed:</b>	2/8/08	<b>Range of Hours:</b>	24 – 180
<b>Type of Trainee:</b>	Retrainee	<b>Weighted Ave. Hours:</b>	95

Ms. Wadzinski and I discussed some of the issues found during the May 12, 2008 visit with Ms. Jee, and advised her of our concern regarding the serious nature of our findings. We also advised her that it appeared some of the training was not in compliance with ETP requirements which could result in an overpayment determination.

Comment [cr1]: be

Due to the number of findings and potential severity of the issues outlined in this report, ETP will closeout this Agreement with the disallowances outlined in the report, and will refer the project to audit for further review.

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ETP (04/15/05)

**SUMMARY OF FINDINGS:**

**Training Disallowed: See Page 2**  
**Overlapping Trainer Training Dates: See Page 3**  
**Trainer to Trainee Ratios for Training: See Page 3**  
**ETP Approved Rosters/Trainee Signatures and Initials: Page 4**  
**Course Description: Page 4**  
**Certification Statements: See Page 4**

**HISTORY OF AGREEMENT:**

The Agreement was approved at the April 2006 Panel Meeting and was executed on 6/15/2006. It included 2 job numbers to accommodate different trainee populations: Job 1, to provide training in Computer and Literacy Skills to employers with 100 or more employees and, Job 2 to provide Computer Skills and Literacy Skills to employers with less than 100 employees.

A request from ATI College to modify the Agreement, by moving trainees and money from Jobs 1 and 2 to create a new Job 3, was approved on April 16, 2007. Approval was based on ATI's stated need to provide instruction in Advanced Technology to programmers employed by BAE Systems and Hanjin Shipping Co. LTD. The minimum wage for these trainees was reported as \$29.01 per hour.

ATI requested another Agreement revision to reduce the wage after retention for Job 3 trainees to \$15.00 an hour. ATI staff stated this change was necessary so programmers from small businesses like Crossfire, Inc., Advanced Ocean, Inc. and Sinji Entertainment Group could participate in training. This revision was approved on October 2, 2007,

**TRAINING DISALLOWED:**

During the review of records, ETP staff found 12 trainees employed with Asiana Airlines, enrolled and placed in Job 1, a job number for large employers - after the completion of training and the 90-day retention period for job 1, these trainees were re-enrolled in Job 2. These trainees were ineligible for enrollment in Job 2, as this is a job number for small employers and Asiana Airlines has in excess of 100 employees. These trainees were placed in Job 1, and therefore are not eligible for placement in Job 2. ETP will disallow \$13,171 for these 12 trainees.

The same is applicable for six LG Household trainees for a disallowance in the amount of \$9,882.

The reimbursement rate for small employers in this project is \$21.38 per hour (\$20 per hour, plus employer support), and \$13.89 (\$13 per hour, plus employer support) for large employers. We also noted several trainees for large employers were initially enrolled and placed in Job 2 (a job number for small employers). Based on this information, it has been determined that the following hours of training were reimbursed at the wrong rate:

- 485 hours of training for six Asiana Airline trainees - \$3,632
- 231 hours of training for three LG Household trainees - \$1,730
- 1,440 hours of training for 18 Shim's Bargain, Inc. trainees - \$10,785
- 1,572 hours of training for 20 Hanjin Shipping Co. LTD trainees - \$11,774

In addition, ETP is disallowing \$5,988 in funding for training provided to trainees Tim Ellis and Roger Glenn of BAE Systems, as the training rosters do not support the hours reported on the ETP tracking system.

Total disallowances based on these findings amount to \$56,962.

**OVERLAPPING TRAINER TRAINING DATES:**

During the records review, project staff found multiple day training rosters for participating employers Asiana Airlines and Shim's Bargain, Inc. (J&S Sales) dated August 14, 15, 16, 22, 23, 29, 2006, indicating that training was provided to both employers by ATI trainer Allen Lee on these dates.

Project staff also noted multiple day rosters for participating employers Asiana Airlines and All State International Freight that illustrate Allen Lee provided training to both employers on July 10, 17, 24 and 31, 2007.

Ms. Jee responded by stating that ATI has two instructors by the name of Allen Lee. Project staff advised Ms. Jee that you should submit documentation to validate that ATI has two trainers with the same name.

**TRAINER TO TRAINEE RATIOS FOR TRAINING:**

ETP's trainer to trainee ratio for Class/Lab training is one to 20, and for Advanced Technology one to 10. The records review indicated the following instances where ETP's trainer to trainee ratio was exceeded:

- Combined multiple day rosters for Advanced Technology training provided by ATI trainer Victor Kao dated December 3 through December 19, and December 20 through January 4, for Asiana Airlines illustrates a trainer to trainee ratio of one to 21.
- Attendance documented on multiple day rosters for Hanjin Shipping Co., LTD, for the period of June 15 through August 13, 2007, indicate that Class/Lab training exceeded the ETP trainer to trainee ratio of one to 20 on several days. The same issue applies to training documented on multiple day rosters for Shims Bargain, Inc. (J&S Sales). A roster for the period December 11, 2006 through January 9, 2007, indicates Advanced Technology training was provided to 19 trainees. An additional roster for Shim's Bargain for training January 10 through February 2, 2007 for Advanced Technology training indicates training was provided to 19 trainees.

**ETP APPROVED ROSTERS/TRAINEE SIGNATURES AND INITIALS:**

The review of records indicated that ATI used rosters other than the ETP approved rosters. ETP provides a multiple day roster to document training for up to 10 days on one roster. Project staff found rosters for all employers that documented up to 25 training dates on one sheet. Some of the rosters appeared to be the original ETP multiple day rosters that had been altered by adding columns for additional days to the end of the roster.

Further, the ETP multiple day roster requires that trainees sign and initial the roster on the first day of training, and the multiple day rosters for Hanjin Shipping Co., LTD, dated August 14

through October 5, 2007, and for Shims Bargain, Inc. (J&S Sales), dated January 10 through February 2, 2007, trainees did not sign the on the first day of training.

Finally, some of the trainee initials appearing on the rosters are questionable, as some of the initials vary significantly from roster to roster for the same trainee.

**COURSE DESCRIPTION:**

We also noted several rosters, documenting more than 10 days of training, with little or no description of training in the course title.

**PARTICIPATING EMPLOYERS/CERTIFICATION STATEMENTS:**

Ms. Wadzinski and I reviewed Certification Statements for all participating employers in this Agreement and found the following:

- 1) Certification Statements for Asiana Airlines, All State International Freight, Inc., L&G Household & Health Care, Pinnacle Thread & Supply, FNS, Inc. and Shim's Bargain, Inc. (J&S Sales) were incomplete. Some of the Certification Statements were missing Appendixes and/or basic information required on the actual Certification Statement to determine eligibility.
- 2) There was no certification statement available for employer Hanjin Shipping Co., LTD.

The certification statements reviewed did not contain the information required by ETP to justify the provision of training.

**AUDIT:**

ATI College will be notified in writing if this agreement is selected for an audit, conducted either at your site (field audit) or by telephone (desk audit or "review"). The Audit Notification and Audit Confirmation letters will be sent in advance to allow ample preparation time and will include a list of documents that will be examined by the auditor. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

**RECORD RETENTION:**

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding this report, please contact Elsa Wadzinski at (818) 755-3634 or by email at [ewadzinski@etp.ca.gov](mailto:ewadzinski@etp.ca.gov) within ten (10) working days from the receipt of this report.

Sincerely,

**Signature on file**

Dolores Kendrick, Manager  
North Hollywood, Regional Office

**Signature on file**

Elsa Wadzinski, Contract Analyst  
North Hollywood, Regional Office

cc: Lisa Jee, Executive Director (via e-mail)  
ATI College

David Guzman, Chief Operations, Manager  
Kulbir Mayall, Fiscal Manager  
Charles Rufo, Audit Manager  
Master File  
Project File

Date report mailed to Contractor \_\_\_\_\_